

make an arrest at one time, Mrs. O'Grady said, Edward P. ("Eddie") Hughes, former police inspector, who is now head of a thriving private detective agency which does a big business in the city, and who is an intimate friend of Commissioner Enright, interfered in company with the Commissioner's secretary, Mr. Hackett, and the arrests were not made.

Testimony dealing with other phases of police administration developed that Mayor Hylan's private automobile is listed among the twenty-eight cars maintained by the Police Department at the city's expense. These cars, operated by prominent city officials who receive big salaries, are supplied with everything down to tires and even new bodies. The cost of this maintenance in 1920 was \$11,954.

Motor Cars Kept Up by City.

Among those who own the cars thus kept up by the city, and the cost in maintenance, according to the testimony, are: Mayor Hylan, \$3,595; Commissioner Enright, \$2,684; "The Mayor's office," \$2,783; Inspector Underhill, \$451; Commissioner David H. H. H. \$480; Inspector Thorpe, \$346, and many others. The special deputies also received automobile supplies.

It was brought out that the Hylan administration discarded the system of public letting for automobile tires and gave all the business to a Brooklyn firm which, according to the police record, was the only firm to supply 5,000 miles for tires. The same records showed that the police kept no account of the mileage of cars to check up on the allowance and that other firms were doing the business for 6,000 mile guarantees.

Numerous small contracts aggregating many thousands were given out by the police for supplies in police stations, painting, plumbing and other work in violation of the charter. The rule which forbids a department head to contract for more than \$1,000 or more without public letting was circumvented by the simple scheme of splitting jobs costing, say, \$3,000 into four items and parceling them out separately a short time apart. The favored contractor got the work.

Late in the afternoon, after the committee's record had been filled with this kind of testimony, it was decided to show abuse of the police power or waste and bad administration, Mr. Brown suddenly switched to Inspector Dwyer's case. In less than ten minutes these three important bits of evidence were in the record:

That Inspector Dwyer was half owner of the Hotel de France, in Forty-ninth street, known formerly as the Van Cleave Hotel, and that the directors of the company were Ferdinand Delenne, John J. Hayden and John Driscoll.

Books Fail to Show Transfer.

That there is no record in the books of the Park Court Realty company, the corporation organized to take over the apartment in 115th street purchased by Inspector Dwyer, of the transfer of 108 shares of the stock by Inspector Dwyer as he has testified was made.

That the signatures of James F. Dwyer, son of the inspector, on a lease was not in his handwriting, in the opinion of Albert Briggs, paying teller of the Empire Trust Company, which handled the Park Court company's business. Briggs said he knew James F. Dwyer's handwriting and would not put the signature.

After flashing this important testimony the inspector was again summoned to the stand. He said he would like to make a statement, and produced a sheet of paper. Pale and with voice trembling he stood for an hour delivering his speech. He said in part: "I want to invite the attention of this committee to the question that you asked the secretary of the Park Court Realty Company, Did she know James F. Dwyer? Yes, she did. But if she knew James F. Dwyer's handwriting and would not put the signature."

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Says Newspapers Distorted. "Some of the newspapers, and I am glad not all, distorted that \$154,000 house to make it appear that I paid \$154,000 cash. I did not do anything of the kind. You ought to investigate the newspapers of this city, because they are the super-government of the city, and I am entitled to rectify to you how some of them act."

"I recall the editor of one of these papers, which is most vicious in presenting this news at this time, asking me, 'What was Commissioner Enright's Sunday, if I was going out on the boat or Squid, if he could not accompany me, and I said yes, I would be glad to have him. He was the editor of the Evening World. The following day he called me up and asked me if I was going out the following Sunday, and I said yes. He asked me if I had any objection to his going and bringing a private secretary with him. I said no.'"

"I am attacking a system, an institution, I am being attacked. I went down on the boat and found the editor and the private secretary. I said to the editor, 'I want you to bring a private secretary with you. We visited the islands down on Jamaica Bay and returned to the pier, and they disembarked. Later on, after that admission was out of office, that was Mayor Mitchell's administration—it was reported to the Police Commissioner, this incident, and it was used to attack Commissioner Arthur Woods.'"

"The man in command of the Harbor Precinct, who I must assume gave that information, was rewarded by one of your colleagues in the Senate of the Legislature of the State of New York, Senator Burlingame, passing a bill which practically violated the constitution of this State or the Civil Service provisions of the constitution."

"I want you to summon Christopher Bonessack an ask him what remuneration he got for working for the passage of that bill, and I also request most respectfully that you summon Senator Burlingame and ask him what remuneration he got for putting that measure over."

"In your summation of last week's proceedings you make reference to my son, James L. Dwyer. The intimation was strong that he beat it out of me because he dreaded this investigation, or that I beat him away."

"It looked so," Mr. Brown said. "It is not so," the inspector went on. "The boy left here long before your committee sat. I am not going to submit a remedy to having my private affairs made public on the street and asked by your process servers if I own the house in 115th street, without lifting the name on."

"Mr. Brown said, 'I will come on, all right. I con-

sider, Senator, with all respects to you, that you are trying to identify my son's handwriting the other day was practically a violation of law."

"I never knew anybody to refuse to answer such a question, unless they said it would incriminate them to do so," Mr. Brown said.

"And furthermore, Senator Brown, I want to say to you now that the person that gave you that lease, notified you who signed it, and she was present when that lease was signed."

"I never received any such information directly or indirectly from anybody."

"It is my opinion that your summary last week regarding the special members of the Police Department is an insult to the 26,000 Home Defense League men that served prior to and during the war."

Brown Answers Dwyer's Charge. "It is intended to protect an entirely respectable body from having in its membership certain members who violate the law and do not properly discharge their functions."

"I consider it outrageous. You are down here supposedly to investigate conditions in the city of New York. I would like to ask you, sir, with all due respect, to investigate if a Republican district leader in Brooklyn, Charles F. Murphy, did not receive \$5,000 to put the detective bill over. You find out also and summon their bank accounts and see how much more was gotten."

"I hope, if anybody did anything of the kind, there will be a committee appointed to investigate it."

"All right, sir, you can also find out what connection Senator Lockwood had, who lives in the district with Mr. Murphy, and I want to make it clear."

"I don't know Mr. Murphy and I cannot speak for him, but the character of Senator Lockwood is entirely above suspicion, to my personal knowledge. And any suggestion to the contrary is a vile slander."

Gets After Newspapers. "You can investigate it."

There are a few things more. To show what a malign influence some of the press of this city have on the Government, I don't think this committee dare examine their bank accounts."

"I was up in the Fourth District some years ago and there was a man named Edward Denice, who was a member of the New York Tribune. He came to me and asked me if I would not put his son to work in plain clothes in my office, and he was a very good policeman. I said I will try him out and I made application and he was transferred to me. Shortly after I found that the newspaper man, Denice, was very friendly with disorderly resorts and gambling houses."

"Denice had an interest in a disorderly resort known as 'The Green Turtle.' I learned afterward, and because I would not violate Mayor Gaynor's order to close all such places by 1 A. M. he became dissatisfied. I thought I had better get rid of his brother and had him transferred."

In his testimony Dwyer spoke of Denice's son and brother and did not make clear which he meant.

The inspector then related in detail how he prepared evidence against the keeper of a disorderly place in the Tenderloin. Denice offered \$5,000 to have the case "thrown," the witness said, and threatened to make trouble through the District Attorney. Then the Tribune started an expose of conditions in the Tenderloin, he said.

"I want to say here that your great Governor, Charles S. Whitman, let Rose Barrick, the woman in that case, escape the felony charge," Dwyer went on. "Another case that the distinguished Governor let go was that of Josie Palmer, a notorious person. She was convicted and Whitman let her go."

Murtha in Whitman's Home. "I recall being called to Gov. Whitman's office one day, and later on I got a message that the wanted to know if I would not call to see him at his home. I called there. He was the District Attorney. When I saw him, he said he had a drunk man being led by Detective Al Drunkman into Whitman's home. That unfortunate drunk man was ex-inspector Murtha, who was later dismissed from the department."

"I was ushered in and Gov. Whitman said he wanted to speak to me on a very confidential matter. He asked me if I would like to have a drink. I said yes. Gov. Whitman was a temperance man. I told him yes; but I was watching what he was putting in that glass with his back to me, and he poured into it—and it was a large bottle, known in the vernacular as a schooner—at least a half pint of whiskey. I was not fool enough to drink that. I poured it down inside my coat. Gov. Whitman thought I would drink it and I would be an easy mark to pump me."

"Whitman told me, when he finally got down to business, that he wanted to get a Tammany leader, and it would be a great feather in his cap if he could convict some Tammany leader of a crime. I asked him who the leader was he wanted to get and he said Jimmie Hagan. I said, 'What do you want me to do?' He said, 'I want you to go to Hagan and ask him if he hasn't got two policemen that he wants to go in plain clothes. You ask him for them in the regular way and make application for them and Commissioner Waldo will send them to you.'"

"Then he says: 'The chances are that Hagan will start to open up gambling houses and do business with those two policemen, and between you and me we can get him. I would be no party to such a dastardly thing as that.'"

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"Dwyer, I made you an inspector and I thought you would stand straight. Now you are going, and I beg your pardon for the language that I used, and I am only repeating it—he says to me: 'You go up and deal with a—'

"Gov. Whitman is one of your distinguished Republicans coming down here trying to clean this city. Commissioner Waldo was so enraged about it that he ordered me to go on my vacation, with this remark: 'When you come back I will fix you.' When I came back Commissioner Waldo transferred every man I had in the district, and put Inspector Titus up there to dig up or to try to find any act of corruption or irregularity on my part. The only reason I recite that is to show the people of this great city the officials that control the police."

"Another man that we arrested was a notorious character in the Tenderloin, John the Barber. He was arrested for being a common gambler. About two days afterward big headlines appeared in THE EVENING SUN that a man named Piner, who was the complainant in the gambling case and our chief witness, was going to get something on me."

"The following night the manager of the Columbia Theatre, Fred McCoy, who is still up there, looked all over town to try and tell me that the District Attorney's office had planted up in a house in The Bronx a telephone and wire in closets, and that Fred McCoy was going to come across and accuse Dwyer. I went home and went to bed, because I had nothing to fear."

"Another case of Mr. Whitman's mode of procedure at that time is worthy of mention, and stands out in my memory."

"I strongly feel that I cannot help referring to it. Some of the men assigned to my office arrested Mary Goode for keeping a disorderly house. She was arraigned before Judge Murphy in the Night Court, and she told the story that she had been paying money to the police, and that she wouldn't squeal but the police doubled-crossed her. She accused a man named Skelly. Murphy advised her to go down and see the District Attorney, Gov. Whitman."

Tells of Alleged Frameup. "Mary Goode was rushed before the Grand Jury. She tried to get a girl named Ruth Bailey to say that she, Ruth Bailey, saw Mary Goode give \$25 to a man named Skelly in the Thirty-second precinct. Ruth Bailey asked her, 'How will I be able to identify Skelly?' I never saw the man. She replied, 'Oh, I will take you out on the street. He is on post, and I will point him out to you.' Ruth Bailey testified to it. Skelly was suspended, and I suppose to appease the press—at least some of it—he was transferred to Tottenham, Staten Island, and his functions discharged."

Mr. Brown again broke in, with the hope of preventing the inspector from running on foolishly. Dwyer continued: "It was about a year before Gov. Whitman saw fit to bring Skelly to trial, left him under a cloud all that time. The day before the trial his lawyer said to somebody, who carried the story to Whitman: 'I will make a bum out of Whitman to-morrow on this case; my client was on his vacation in Block Island and when Mary Goode alleged she paid him this \$25.' That story was carried to Gov. Whitman. What did he do?"

"Gov. Whitman was over on the island where Alice Walker, who had been convicted by our men, and a man was over there and brought them over and they were pushed in before the Grand Jury. Alice Walker, who she had paid money to Skelly. A new indictment was brought in against Skelly and a long time transpired again before Skelly was brought to trial. I think he was tried before Judge Seabury and a jury which was not out over five minutes when it brought in the verdict, 'Not guilty.' That man, all these two years under suspension, and under a cloud, received not a line in the newspapers when he was proven innocent. Nevertheless, when he was first accused, there were headlines about it."

The inspector told of his troubles in connection with another disorderly place and said men then prominent in Republican politics had interfered. He told up several points of that testimony which was given last week and denied that he had signed the contract for the apartment house which he was said to have purchased in 115th street.

Mr. Brown then took up the examination of the inspector. The lawyer asked about several small checks which the witness was unable to explain.

De France Hotel Case Up. The inspector was then asked about his interest in the De France Hotel. The property was in the hands of a receiver when he and others organized a company to buy it. Dwyer had 50% shares. There were 100 non-participating shares which he held.

"Was any police action taken against the hotel?" Mr. Brown asked, referring to the time it was known as the Van Cleave Hotel.

"We kept it under surveillance all the time."

The inspector said he saw Capt. P. J. Condon, manager of the 115th street apartment, last night at the Flinders Hotel. The committee's subpoena servers testified they had been searching for Candau for a week and could not find him.

"Your would-be detectives have been around my home annoying my family, my wife and children, and I had to get away and I went to the hotel and took a room."

"So that the annoyance would be suffered by them instead of by you?" Mr. Brown asked.

Before Dwyer left the stand Christie Bohnsack, reporter for the New York City News Association, arrived and asked to be heard in answer to the inspector's statements. He said he knew Police Lieut. James J. Bohnsack, who was a police officer for years. Bohnsack was then reporting ship news and he took an interest in helping Halleck get a promotion. Some time after Halleck made him a present of a watch and a bill to which Dwyer referred provided for the policeman's promotion. The reporter said he never received "a red cent" for what he did to help his friend.

Patrick F. Donnelly, marine superintendent of the Jathman Steamship Lines, testified that James Dwyer, the inspector, was a large, dark, known in the company of a schooner—at least a half pint of whiskey. I was not fool enough to drink that. I poured it down inside my coat. Gov. Whitman thought I would drink it and I would be an easy mark to pump me."

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NO EXTRA SESSION TO SETTLE TAX RATE

Automatically Lower, Miller Announces, Bond Issue Being Cancelled.

DEBT SERVICE INVALID Court Decision Renders Item Void, He Tells Comptroller Craig.

SAVES \$12,066,180 DIRECT But Reduction Will Be More Than Offset by Local Taxation.

Special Despatch to The New York Herald.

New York, Oct. 4.—The City of New York, Albany, Oct. 4.

No extra session of the Legislature will be necessary to correct the direct tax law, Gov. Miller announced tonight. It had been asked by Comptroller Charles L. Craig of New York, who held that the law in its present form was invalid because it provided for the payment of interest on soldier bonus bonds, which the Court of Appeals had declared unconstitutional.

The Governor, in a letter to Comptroller Craig, said the entire debt service item, which included the soldier bonus bond interest, could be cut out of the direct tax law without the necessity of calling an extra session of the Legislature.

"The effect of the decision of the Court of Appeals," he said, "is to render the entire item of .7737 mills for debt service invalid and void. It therefore becomes the duty of the State Comptroller, in certifying the State tax, and of the legislative bodies of the several counties in levying the same, to omit the void item for debt service, and the State Comptroller will issue certificates certifying the amount of tax for State purposes that can validly be levied under the law as it now exists, thus entirely eliminating the void item. The result will be that the appropriation of \$11,475,339.47 for debt service will have to be met from the general fund precisely as it would be the duty of the State Comptroller under the constitution to make the payment."

From that fund even if no appropriation had been made therefor, and there will be practically no State tax except the mill and a half tax imposed for the support of the common schools and teachers' salaries.

"Fortunately the treasury is in a condition to meet the payments necessary to make this local and municipal debt service and the taxpayers may thus at once, and at a time of the greatest need, get the benefit of the economies which have been inaugurated in the public service of the State. The result will be a reduction of the tax rate from 2.635 mills last year to 1.5043 mills this year and a total reduction in the amount of direct State taxes of \$12,066,180.35 as compared with last year."

Offset by Local Taxes. "If comparable reductions in the expenditure of local county and municipal governments had been effected, the burden on real estate and the serious tax situation in the city of New York, to which you refer, would not exist. Unfortunately in many localities, and notably in the city of New York, the tax burden has been increased at a time when economic conditions made substantial decreases essential to the welfare, with the result that the reduction in State taxes, substantial as it is, will be much more than offset by increased local taxation."

"The Governor makes it still more important to keep the State tax rate as low as possible and doubly gratifying that it is not necessary to convene the Legislature in extraordinary session to make a substitute for the tax item which under the decision of the Court of Appeals is invalid."

The direct tax law this year imposed a tax of 2.635 mills on each dollar of real and personal property. It was divided into three items: .0043 for claims, .7737 for debt service, including interest on the soldiers and sailors bonus bonds, on other third officers' bonds and contributions to the sinking fund and 1.5 for schools and teachers' salaries. Attorney General Charles D. Newton in an opinion to the Governor said that it was proper to levy the tax for the first and third items, but that the second was unconstitutional and could be omitted from the tax without action of the Legislature.

State Credit Unimpaired. "Foregoing the State tax for debt service this year," he declared, "interferes not at all with the payment of principal and interest on State bonds, bonds and interest on the sinking funds, for the Legislature by the appropriation bill has appropriated the necessary moneys from the general fund, and had it failed to do so the Comptroller would have been obliged to make the payments from that fund (Constitution, Art. VII, Sec. 11). The general fund can stand this debt service item, and the Legislature next meets in regular session."

Mr. Newton said that it was not too late for the State Comptroller to issue new tax certificates based on the reduced rate to the different county legislative bodies, as the actual levy of taxes, including the State tax, does not customarily take place in up-State counties until after December 15 in each year. He said that from Comptroller Craig's letter there is yet time before October 15 for the Board of Estimate of New York to correct its tentative budget.

office. "Was this the time?" Mr. Brown asked.

"Beginning from that date, yes, sir," she said.

Blocked at Dance Halls Also. She was blocked at every turn when she attempted to do anything, Mr. O'Grady said. She started an investigation of dance halls, and after she had got much information it was taken out of her hands and nothing more was done.

"There wasn't a week or a month after I had attempted to arrest those two men that something wasn't done to arrest you, but you were too busy to care. I started to raise a fund to help the families of policemen stricken with influenza and the Commissioner stopped me and ordered that I return the money."

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He gave the numbers and makes of the twenty-eight privately owned automobiles which he said were kept fully supplied.

Mr. O'Grady said that she had been blocked at every turn when she attempted to do anything, Mr. O'Grady said. She started an investigation of dance halls, and after she had got much information it was taken out of her hands and nothing more was done.

"There wasn't a week or a month after I had attempted to arrest those two men that something wasn't done to arrest you, but you were too busy to care. I started to raise a fund to help the families of policemen stricken with influenza and the Commissioner stopped me and ordered that I return the money."